

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

August 24, 1999

IN RE:)	
)	
PETITION OF CENTURYTEL OF)	DOCKET NO. 99-00305
CLAIBORNE, INC. FOR APPROVAL OF AN)	
INTRALATA TOLL DIALING PARITY PLAN)	

**ORDER APPROVING THE INTRALATA TOLL DIALING PARITY
IMPLEMENTATION PLAN**

This matter came before the Tennessee Regulatory Authority (the "Authority") on June 22, 1999, at a regularly scheduled Authority Conference, to consider the Petition of CenturyTel of Claiborne, Inc. ("Claiborne") for approval of an IntraLATA Toll Dialing Parity Implementation Plan ("the Plan").

Section 251(b) of the Telecommunications Act of 1996 ("the Act") requires all Local Exchange Carriers to provide dialing parity.¹ Specifically, section 251 (b)(3) of the Act states, "Dialing Parity - The duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays." The Act further states in sections 251(f)(1) and 251(f)(2) that a rural telephone company may file with the state commission for exemption, suspension or modification of the dialing parity requirements.

The Federal Communications Commission ("FCC") initiated a rulemaking on dialing parity on April 19, 1996 and issued its findings in FCC 96-333 Order (Docket 96-98) adopted on

¹ Telecommunications Act of 1996, Pub. L. No. 104-104, (February 8, 1996), codified at 47 U.S.C. §§151 *et seq.*

FILE

August 8, 1996. This Order sets forth the criteria and guidelines for filing of a plan by all carriers. Subsequent to this Order the United States Court of Appeals for the Eighth Circuit vacated the FCC's rules, as they were applicable to intrastate services.² On January 25, 1999, the United States Supreme Court reversed certain portions of the Eighth Circuit's decision including that part of the decision which had stricken the FCC's rules pertaining to dialing parity.³

The FCC's original date for implementation, February 8, 1999, was reinstated by the Supreme Court's decision of January 25, 1999. As a result of this reinstatement, the FCC released FCC 99-54 Order (Docket 96-98) on March 23, 1999, which set forth revised implementation dates for dialing parity. This Order establishes April 22, 1999 as the new date by which all Local Exchange Carriers must file an IntraLATA Toll Dialing Parity Plan with State Commissions for approval. The Plan must be implemented within thirty (30) days after approval from the State Commission. Additionally, the Order states that the Plan must be filed with the Common Carrier Bureau of the FCC if the State Commission has not acted on the Plan by June 22, 1999.

Claiborne is an incumbent local exchange carrier that provide telecommunications services in Tennessee. Pursuant to 47 C.F.R. § 51.213, Claiborne is required to file a plan with the Authority that provides for implementing intraLATA toll dialing parity throughout their exchanges in Tennessee.⁴ This plan must allow customers to pre-subscribe to different carriers for local service, intraLATA toll service and interLATA toll service.⁵

Claiborne filed its IntraLATA Toll Dialing Parity Implementation Plan on April 23, 1999.

² FCC v. Iowa Utils. Bd., United States Court of Appeals for the Eighth Circuit, July 18, 1997.

³ AT&T v. Iowa Utils. Bd., 119 S.Ct. 721 (1999).

⁴ Under 47 C.F.R. §51.213, the Federal Communication Commission requires that an IntraLATA toll dialing parity plan contain: (1) a proposal that explains how the local exchange carrier will offer intraLATA toll dialing parity for each exchange that such carrier operates in the state, in accordance with the provisions of this section, and a proposed time schedule for implementation; and (2) a proposal for timely notification to its subscribers and the methods it proposes to use to enable each subscriber to affirmatively select an intraLATA toll service provider. The state commission must approve any such plan prior to implementation.

⁵ Pre-subscription allows the customer to place a call without dialing an access code.


The Plan was amended with a proposed cost recovery method on June 15, 1999. The amended Plan containing the Petition for Approval, is attached hereto as Exhibit A and is fully incorporated herein by this reference.

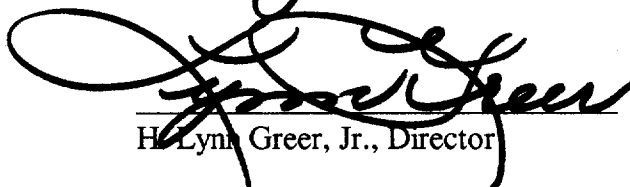
The Directors considered the Plan of Claiborne at the June 22, 1999 Authority Conference and determined that the Plan, as amended, satisfies the requirements set forth by the FCC in Docket 96-98, FCC Order 96-333 and FCC Order 99-54 with one exception.⁶ The Plan, as amended, provides for a method that allows customers to select alternate providers of telephone toll service; a method which allows customers to choose different carriers for interLATA and intraLATA service; customer notification/education procedures; recovery of the incremental cost for intraLATA toll dialing parity through an originating access rate additive. The Plan as amended, however, includes an addendum entitled "Intrastate Access Equalization Plan." This Intrastate Access Equalization Plan estimates the revenue loss due to the implementation of toll dialing parity and then proposes a rate additive to the local switching element for both originating and terminating access charges. The company maintains that it will experience a loss of revenue due to the implementation of toll dialing parity and is entitled to recover this loss. The FCC was very specific regarding the type of intraLATA toll dialing parity implementation costs that are eligible for recovery and anticipated revenue loss is not one of those costs. Therefore, the Directors unanimously voted to approve the Toll Dialing Parity Plan, as amended, for Claiborne with the requirements that; 1) only incremental costs associated with intraLATA Toll Dialing Parity shall be recovered (no loss of revenues shall be included in this cost recovery); and 2) Claiborne will comply with all applicable sections of FCC Order 96-333 upon implementation of intraLATA equal access.

⁶ FCC Order 96-333, released August 8, 1996, sets forth the requirements for implementation of IntraLATA Toll Dialing Parity. FCC Order 99-54, released March 23, 1999, extends to June 22, 1999 the deadline for state commissions to act on a LEC's IntraLATA Toll Dialing Parity Plan.

IT IS THEREFORE ORDERED THAT:

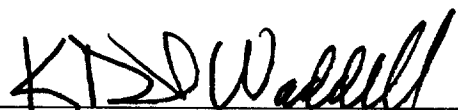
1. The amended Plan of CenturyTel of Claiborne, Inc. for IntraLATA Toll Dialing Parity Implementation, a copy of which is attached as Exhibit A, is hereby approved and incorporated in this Order as if fully rewritten herein;
2. CenturyTel of Claiborne, Inc. shall only recover the incremental costs associated with intraLATA Toll Dialing Parity. Therefore, the proposed Intrastate Access Equalization Plan of CenturyTel of Claiborne, Inc. is denied;
3. CenturyTel of Claiborne, Inc. shall file revised tariffs reflecting the approved incremental cost recovery rate element;
4. CenturyTel of Claiborne, Inc. shall comply with all applicable sections of FCC Order 96-333 upon implementing IntraLATA equal access; and
5. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary

June 14, 1999

David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

REC'D TN
REGULATORY AUTHORITY
CENTURYTEL

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OFFICE OF THE
EXECUTIVE SECRETARY

RE: CenturyTel of Claiborne, Inc. 99-00305
CenturyTel of Adamsville, Inc. 99-00307
CenturyTel of Ooletwah-Collegedale, Inc. 99-00308
Revision to IntraLATA Toll Dialing Parity Plan
Submission of the 1+IntraLATA Dialing Parity Rate

Dear Mr. Waddell:

Pursuant to the FCC Order 99-54, and conversations with Carsie Mundy, enclosed is the revision to the IntraLATA Toll Dialing Parity Plan which establishes the parameters for Dialing Parity Cost Recovery at Attachment A. Also, enclosed is the Intrastate Access Equalization Plan Description and Justification (Attachment B) and the General Exchange Tariff Access Service filing at Attachment C. This filing is to implement Dialing Parity as we had previously outlined in the IntraLATA Toll Dialing Parity Plan submitted to the Commission on April 22, 1999.

The required filing fee was submitted with the original IntraLATA Toll Dialing Parity Plan.

Please stamp and return to me upon approval. If you need further information or have any questions, please call me at (318) 362-1783. Thank you.

Sincerely,



Deborah T. Demaree
Tariff Analyst I

Enclosure(s) As Stated

cc: Clay Bailey
Charles Hamm
Charles DiGiulian
Pam Morehead
Rosie Kirkwood
Tina Lawrence
Leslie Dickerson
Susan Smith
Robby McDonald
Date File

UPS 436 6505 20 8

Tennessee
IntraLATA Toll Dialing Parity Plan

The following *IntraLATA Toll Dialing Parity Plan* has been developed consistent with provisions of the Federal Communications Commission's (FCC's) Order, FCC 99-54, adopted March 19, 1999 which is based on the United States Supreme Court overturning, in part, the rulings of the United States Court of Appeals for the Eighth Circuit which tried to set aside dialing parity rules pertaining to intraLATA telecommunications traffic. This plan is being submitted to the Tennessee Public Service Commission (Commission) for its information and approval. Implementation of IntraLATA toll dialing parity is dependent upon Commission approval.

The effective date of IntraLATA 1+ equal access for CenturyTel of Claiborne, Inc., CenturyTel of Adamsville, Inc., or CenturyTel of Ooltewah-Collegedale, Inc. (hereinafter referred to as "CenturyTel") is expected to be the conversion implementation date of July 20, 1999.

The filing of this plan does not preclude CenturyTel from exercising any of their rights to Suspension or Modification under §251(f)(2) of the Telecommunications Act of 1996.

I. Toll Dialing Parity Implementation Schedule

Pending Commission approvals as outlined above, CenturyTel will implement intraLATA 1+ equal access on July 20, 1999.

II. IntraLATA Geographical Areas

The following is a listing of exchanges for each company on record for conversion to IntraLATA 1+ equal access and the LATA's they are associated with.

CenturyTel of Claiborne, Inc.

<u>NPA/NXX</u>	<u>Exchange Name</u>	<u>LATA Number</u>	<u>LATA Name</u>
423-278	Sharps Chapel	474	Knoxville
423-526	New Tazewell	474	Knoxville
423-626	New Tazewell	474	Knoxville

CenturyTel of Adamsville, Inc.

<u>NPA/NXX</u>	<u>Exchange Name</u>	<u>LATA Number</u>	<u>LATA Name</u>
901-632	Adamsville	468	Memphis
901-687	Milledgeville	468	Memphis
901-688	Enville	468	Memphis
901-689	Shiloh	468	Memphis
601-667 *	Yellow Creek	468	Memphis
662-667 *	Yellow Creek	468	Memphis

CenturyTel of Ooltewah-Collegedale, Inc.

<u>NPA/NXX</u>	<u>Exchange Name</u>	<u>LATA Number</u>	<u>LATA Name</u>
423-236	Apison	472	Chattanooga
423-238	Ooltewah	472	Chattanooga
423-396	Collegedale	472	Chattanooga

* NPA 601 and 662 are in permissive dialing until May 1, 2000.

Tennessee
IntraLATA Toll Dialing Parity Plan

III. IntraLATA Presubscription Methodology

The *Full 2-PIC* (Presubscribed Interexchange Carrier) option shall be the methodology used to provide customers with a full range of choices in selecting their intraLATA 1+/0+ toll provider. Under this option, the customer may select a toll/interexchange carrier for its intrastate intraLATA calling and a separate toll/interexchange carrier for its interLATA calls.

IV. Calls Subject to IntraLATA Toll Dialing Parity

Intrastate intraLATA 1+ and 0+ toll calls originating in an exchange shall be subject to the intraLATA toll dialing parity provisions.

V. Customers Eligible For IntraLATA Toll Dialing Parity

All end user customers subscribing to a LEC's local exchange service offerings shall be eligible for intraLATA dialing parity.

VI. IntraLATA Toll Carrier At Outset

Until a customer affirmatively chooses another intrastate intraLATA toll/interexchange carrier, intraLATA toll calls which are not prefaced with 101XXXX shall be carried by the CenturyTel's designated toll/interexchange carrier(s) which will be BellSouth. There will be no balloting of customers.

VII. Implementation Schedule

CenturyTel will implement toll dialing parity on July 20, 1999, subject to Commission approval of this IntraLATA Toll Dialing Parity Plan.

The steps are as follows:

1. Provide notification by April 30, 1999 with a response suspense date of June 1, 1999, a minimum of thirty days (30) prior to the conversion to IntraLATA 1+ toll dialing parity, to all those toll/interexchange carriers which presently offer Feature Group D service in the applicable end office(s).

CenturyTel will provide subscriber listing information to carriers in Customer Account Record Exchange (CARE) format. These listings can be obtained by several means: "readily accessible" tape, electronic format, or a hard copy report which are provided in a timely manner as requested through the processes that currently exist for the interLATA market. The process includes subscriber listing updates to carriers for new customers who choose that carrier or for existing customers of a carrier who revise their subscriber listing information. The provision of this information is in compliance with FCC Order No. 96-333, CC Docket No. 96-98, Paragraph 389.

Tennessee
IntraLATA Toll Dialing Parity Plan

VII. Implementation Schedule (Continued)

Step 1 Continued

CenturyTel will comply with Part 51, Sections 305, 307, 325, 327, 329, 331, 333 and 335 of the FCC Order in providing the required information and notice to the public of network changes. CenturyTel plans to file a public notice with the FCC, with possible migration of the notice to the Internet process as described in Section 329. The notice will include network information as outlined in Section 327. The notice will be provided within the timeframes described in Sections 331-333.

2. Notify subscribers of the availability of intraLATA 1+ toll dialing parity not less than thirty (30) days in the May 28, June 1, and June 10 billing cycles, prior to conversion.
3. Until existing subscribers designate a change to their toll/interexchange carrier, they will remain with their existing carrier. A subscriber may designate a toll/interexchange carrier by receipt of a request from a subscriber or a "Letter of Agency" (LOA) from an authorized toll/interexchange carrier. An IXC may not forward LOAs to CenturyTel earlier than thirty (30) days prior to the conversion. Letter of Agency contacts shall only be honored from those toll/interexchange carriers first executing an LOA Agreement, which, among other things, acknowledges the toll/interexchange carrier's obligation to follow federally prescribed rules (including, without limitation, "anti-slamming" rules, as described in Section XI below).
4. Customers that are provided local service subsequent to the implementation of intraLATA 1+ toll dialing parity, will be able to select an intraLATA toll/interexchange carrier using the same procedure currently followed to select an interLATA interexchange carrier. New customers that do not choose a carrier will be required to use dial around by dialing 101XXXX. Existing and new customers can call the customer service center for a listing of available intraLATA toll/interexchange carriers after June 1, 1999. The Customer Service Representative (CSR) will provide the listing in random order (competitively neutral) to the customer. Each time the customer account is assessed, the listing is reshuffled in a new random order.

VIII. Access to Operator Services and Directory Assistance

Access to Operator Services and Directory Assistance will continue to be available through the customer's local exchange carrier or interLATA carrier. No industry standard has been established for access to Operator Services and Directory Assistance unique to the intraLATA carrier. For Operator Services, customers dial "0" to reach their local exchange operator and "00" to reach their interLATA operator. For Directory Assistance, customers dial "1-411" in CenturyTel's territory for accessing the local exchange Directory Assistance and customers dial "1-NPA-555-1212" for accessing their interLATA carrier's Directory Assistance.

The local and interLATA Operator Services and Directory Assistance may be branded by the local and interLATA carriers, as appropriate, based on the dialing pattern of the end user. Since no unique intraLATA dialing pattern currently exists in the industry, CenturyTel is not capable of identifying intraLATA calls to CenturyTel's local or the IXC's interLATA operators or directory assistance representatives. As such, this procedure is considered in compliance with FCC Order No. 96-333, Rule 51-217(d).

Tennessee
IntraLATA Toll Dialing Parity Plan

IX. Cost Recovery

Dialing parity costs include costs related to customer notification, programming changes, testing, training, incremental presubscription costs – including the costs incurred during the 90 days immediately following the date of implementation (grace period ending on October 20, 1999), in which customers may make one PIC change without charge – and the initial incremental expenditures for hardware and software related directly to the provision of dialing parity, which would not be required to upgrade the switching capabilities of the office involved absent the provision of dialing parity. Additionally, related administrative costs will be included.

The Company is filing a discreet “Dialing Parity Cost Recovery” (DPCR) tariff rate element with the Commission which reflects the estimated costs as outlined above, a proposed cost recovery period of one year (consistent with FCC DA-1541, adopted September 28, 1988, and applicable to all NECA pool members), and estimated demand units based upon the total calendar year originating Intrastate access minutes (see Attachment A). The DPCR rate element shall be assessed upon all Intrastate toll/interexchange carriers. Estimated cost and demand data in support of the rate element is being submitted to the Commission at the time of the filing. A true-up of cost recovery is contemplated at the end of the one-year period, and any recovery deficiency or overage will be adjusted in a bill to toll providers in proportion to their relative share of cost recovery for the period.

X. Charges for Selection/Assignment of Carrier & Unauthorized PIC Change

CenturyTel shall not impose any charge on the customer for the customer’s initial selection of a carrier other than the designated toll/interexchange carrier, to carry the customer’s intraLATA toll calls. This shall also apply in the 90-day period immediately following the implementation date (grace period ending on October 20, 1999).

Charges imposed upon a customer for changing the customer’s Presubscribed carrier for its intraLATA toll calls, and charges applicable to toll providers related to Unauthorized PIC Changes, are to be those set forth in the Intrastate Access Service tariff on file with the Commission, and in effect at the time. Currently, the interLATA PIC Change charge is \$5.00. (It is contemplated that the intraLATA PIC Change charge will be \$5.00, and an Unauthorized PIC Change charge of \$35.65, applicable to both residence and business lines, as provided for in NECA Tariff FCC No. 5.) If a customer makes both an interLATA and an intraLATA PIC change, they will be assessed a total charge of \$10.00. It should be understood that the Unauthorized PIC Change charge is intended as an assessment to toll providers, not to subscribers.

XI. Anti-Slamming

IntraLATA toll dialing parity shall be subject to the same anti-slamming and dispute resolution procedures that the FCC has set forth for interLATA presubscription. IntraLATA toll dialing parity shall also be subject to the provisions of Section 258 of the Federal Communications Act of 1934, as provided for by the Telecommunications Act of 1996, and any regulations adopted by the FCC or the Commission addressing unauthorized changes in subscriber carrier selections.

XII. Compliance

CenturyTel will comply with all IntraLATA toll dialing parity rules and provisions of the FCC and the Tennessee Regulatory Authority.

Attachment A
Revision
(estimated cost recovery)
to
IntraLATA Toll
Dialing Parity Plan

CenturyTel of Claiborne, Inc.
IntraLATA Toll Dialing Parity
Cost Recovery

Total Cost Based on Incremental Items	Total Annual Originating Intrastate Minutes	Equal Access Recovery Charge
\$24,923.94	6,989,680	\$0.00357

CenturyTel of Adamsville, Inc.
IntraLATA Toll Dialing Parity
Cost Recovery

Total Cost Based on Incremental Items	Total Annual Originating Intrastate Minutes	Equal Access Recovery Charge
\$22,858.93	7,286,521	\$0.00314

CenturyTel of Ooltewah-Collegedale, Inc.
IntraLATA Toll Dialing Parity
Cost Recovery

Total Cost Based on Incremental Items	Total Annual Originating Intrastate Minutes	Equal Access Recovery Charge
\$29,731.96	3,139,456	\$0.00947